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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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JUN 11 1997

DOCKET FILE COPY ORIGINAL Federal Communications Commission  
Office of Secretary

In the Matter of

MOBILEMEDIA CORPORATION, et. al.

Applicant for Authorizations and Licensee  
of Certain Stations in Various Services

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) WT Docket No. 97-115  
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To: The Honorable Joseph Chachkin  
The Commission

**PETITION FOR INTERVENTION**

The Official Committee of Unsecured Creditors (the "Committee") of MobileMedia Corporation and its affiliates (collectively, "MobileMedia" or "the Company"), pursuant to Section 309(e) of the Communications Act of 1934 and Section 1.223(a) of the Commission's Rules,<sup>1/</sup> hereby petitions the Commission for intervention as a party in interest in the above-captioned hearing proceeding.<sup>2/</sup> The circumstances surrounding the hearing

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<sup>1/</sup> 47 U.S.C. § 309(e); 47 C.F.R. § 1.223(a). If the Committee is not deemed a party in interest, the Committee seeks in the alternative to have this document considered as a petition for leave to intervene pursuant to 47 C.F.R. § 1.223(b).

<sup>2/</sup> Order to Show Case, Hearing Designation Order, and Notice of Opportunity for Hearing for Forfeiture, FCC No. 97-124 (April 8, 1997) ("HDO"). Paragraph 15(b) of the HDO requires the Presiding Judge to "promptly certify to the Commission for resolution all motions and petitions filed pursuant to Section[ ] 1.223 (petitions to intervene)."



proceeding -- pursuant to which the Commission will decide whether MobileMedia is qualified to be and remain a Commission licensee -- are fully set forth in the HDO, and need not be repeated here.

As the attached declaration of Bryan Bloom establishes, the Committee is comprised of seven of the largest unsecured creditors of MobileMedia, and was designated to represent the interests of all of MobileMedia's unsecured creditors by the United States Trustee in various reorganization cases commenced by the Company on January 30, 1997, under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330.<sup>3/</sup> The Company owes approximately \$500 million to its unsecured creditors including \$440 million in MobileMedia bonds held by individuals and various institutions such as pension funds, mutual funds, and life insurance companies.

In making numerous loans to MobileMedia, the Company's unsecured creditors relied on the fact that MobileMedia holds numerous, immensely valuable FCC licenses, pursuant to which the Company has become the second largest paging company in the nation. Now that MobileMedia has filed for bankruptcy protection, the only way for these creditors to recover a reasonable portion of the loans made to MobileMedia is for the Company to engage in a complete reorganization, and/or sell all of its assets and transfer all of its licenses, with the proceeds going directly to the creditors.

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<sup>3/</sup> MobileMedia's Chapter 11 cases were consolidated for procedural purposes, and are being jointly administered by the bankruptcy court. MobileMedia is continuing in possession of its properties, and continues to operate and manage its businesses as a debtor-in-possession.



While the qualification hearing is pending, however, the Commission will not approve any application for a transfer of MobileMedia's licenses.<sup>4/</sup> Moreover, if the Commission were to revoke MobileMedia's licenses after the above-captioned hearing, a sale of the company's assets would be impossible, thereby eliminating any chance that the unsecured creditors might have had of collecting any of the debt owed to them by MobileMedia. Because the prospects for any recovery of loans made to MobileMedia by its unsecured creditors are directly and substantially linked to the qualification hearing, the Committee and its constituents have a direct financial stake in the pendency and outcome of the hearing, and thus "qualifies as a party in interest" to the hearing, as required by 47 C.F.R. § 1.223(a).

In order to protect the unsecured creditors' financial stake in the Company, it is necessary for the Committee to intervene in the hearing proceeding. On April 23, 1997, MobileMedia sought a stay of the hearing proceeding to allow it an opportunity to pursue such a sale or reorganization, and the Company's motion was denied by the Presiding Judge. MobileMedia Corporation, (Memorandum Opinion and Order), released May 7, 1997 ("Stay Denial"). The ALJ stated that the Committee and other commenters on the Company's stay motion did not have standing to file comments because they had not sought intervention. Stay Denial at 1 n.1. It is clear that the Committee cannot adequately protect the interests of MobileMedia's unsecured creditors merely as a third-party observer, but can do so only as an intervenor.

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<sup>4/</sup> See *Jefferson Radio Co. v. FCC*, 340 F.2d 781, 783 (D.C. Cir. 1964).



The Committee understands that one normally cannot obtain "party in interest" status with respect to a proceeding solely by virtue of being a creditor of the licensee that is the subject of the proceeding.<sup>5/</sup> Where the licensee is involved in bankruptcy proceedings, however, and the licensee's creditor's interest in the company is thereby placed in jeopardy, the Commission has consistently held that the creditor has standing to intervene in a proceeding that could lead to revocation of the company's licenses. *See Image Radio, Inc.*, 12 R.R.2d 671 (ALJ 1968), *aff'd*, 13 F.C.C.2d 59 (Rev. Bd. 1968). The Commission has said that the "crucial factor" in *Image Radio* was that "the corporation had declared bankruptcy and was in the hands of a trustee; thus . . . the creditors had a direct financial stake in the outcome of the proceeding." *Hertz*, 46 F.C.C.2d at 352. *See also Morton Jerome Victorson, Bankruptcy Trustee*, 10 F.C.C. Rcd 9499, 9500 (1995) (for licensee in bankruptcy, intervention by creditors allowed if creditors can show that "a potential direct and substantial injury could result from the outcome of the proceeding"); *Arizona Mobile*, 80 F.C.C.2d at 89.

The Committee does not seek to intervene in MobileMedia's qualification hearing solely because it consists of and represents creditors of the company. Instead, the members of, and entities and individuals represented by, the Committee have direct, substantial financial stakes in the outcome of the hearing because, given the company's financial status, its unsecured creditors stand to lose approximately \$500 million in

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<sup>5/</sup> *Faith Center, Inc.*, 94 F.C.C.2d 756, 759 (Rev. Bd. 1983); *Arizona Mobile Telephone Co.*, 80 F.C.C.2d 87, 90 (Rev. Bd. 1980); *Hertz Broadcasting of Birmingham, Inc.*, 56 F.C.C.2d 350, 352 (Rev. Bd. 1974).



uncollectible debt if the company's licenses are revoked after the hearing, and because the company is restricted with respect to any such transfer while the hearing is pending. Intervention is absolutely necessary in order to afford the Committee an opportunity to protect this interest.

The Committee is aware, of course, that the Commission has stayed the hearing proceeding for a period of ten months.<sup>6/</sup> Although the Committee believes that, during this stay period, the Company and its creditors will agree upon, and secure bankruptcy court and FCC approval for, a resolution of this matter under the Second Thursday line of cases,<sup>7/</sup> there is nonetheless the possibility that the hearing will be reconvened at the end of the stay period. The Company will also be filing monthly status reports with the Commission during the stay period,<sup>8/</sup> and the Committee may wish to comment on these reports. For these reasons, and because the time for intervening as a matter of right will soon expire,<sup>9/</sup> the Committee seeks intervention status notwithstanding the stay.

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<sup>6/</sup> MobileMedia Corp., FCC 97-197 (June 6, 1997).

<sup>7/</sup> See id., ¶ 13.

<sup>8/</sup> See id., ¶ 19.

<sup>9/</sup> See 47 C.F.R. § 1.223(a). Notice of the HDO appeared in the Federal Register on May 12, 1997.



For the foregoing reasons, the Committee respectfully submits that it is a party in interest in the above-captioned hearing proceeding and petitions for intervention in the proceeding.

Respectfully submitted,

THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS OF  
MOBILEMEDIA CORPORATION

By: David S. Kurtz / p/s

David S. Kurtz  
JONES, DAY, REAVIS & POGUE  
77 West Wacker  
Chicago, Illinois 60601-1692  
Telephone: 312-782-8585

By: Phillip L. Spector

Phillip L. Spector  
Patrick S. Campbell  
PAUL, WEISS, RIFKIND,  
WHARTON & GARRISON  
1615 L Street, N.W., Suite 1300  
Washington, D.C. 20036  
Telephone: 202-223-7300

Its Attorneys

June 11, 1997



### **DECLARATION OF BRYAN BLOOM**

Bryan Bloom hereby declares as follows:

1. I am an attorney employed by WRH Partners, L.L.C., an affiliate of W.R. Huff Asset Management Co., L.L.C., Morristown, New Jersey ("W.R. Huff").

2. W.R. Huff is the chair of the Official Committee of Unsecured Creditors (the "Committee") of MobileMedia Corporation and its affiliates (collectively, "MobileMedia" or the "Company").

3. The Committee was designated by the United States Trustee in various reorganization cases commenced by the Company in the United States District Court of Delaware on January 30, 1997, under Chapter 11 of the United States Bankruptcy Code.

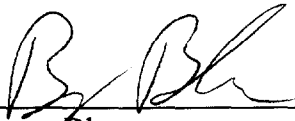
4. The Committee is comprised of seven of the largest unsecured creditors of MobileMedia to represent the interests of all of the unsecured creditors of MobileMedia.

5. The Company owes approximately \$500 million to the entities and individuals represented by the Committee, including approximately \$440 million in MobileMedia bonds held by individuals and various institutions such as pension funds, mutual funds, and life insurance companies.

6. I have reviewed the "Petition for Intervention" to which this declaration is appended. The facts stated in the Petition are, to the best of my knowledge, true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed June 11, 1997.

  
\_\_\_\_\_  
Bryan Bloom



CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of June, 1997, I caused copies of the foregoing PETITION FOR INTERVENTION to be hand-delivered to the following:

The Honorable Joseph Chachkin  
Federal Communications Commission  
2000 L Street, N.W.  
Second Floor  
Washington, D.C. 20554

Commissioner Reed E. Hundt  
Federal Communications Commission  
1919 M Street, N.W.  
Room 814  
Washington, D.C. 20554

Commissioner Rachelle B. Chong  
Federal Communications Commission  
1919 M Street, N.W.  
Room 844  
Washington, D.C. 20554

Commissioner Susan Ness  
Federal Communications Commission  
1919 M Street, N.W.  
Room 832  
Washington, D.C. 20554

Commissioner James H. Quello  
Federal Communications Commission  
1919 M Street, N.W.  
Room 802  
Washington, D.C. 20554

Mr. William E. Kennard  
General Counsel  
Federal Communications Commission  
1919 M Street, N.W.  
Room 614  
Washington, D.C. 20554



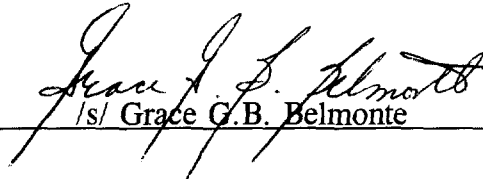
Daniel B. Phythyon  
Acting Chief  
Wireless Telecommunications Bureau  
2025 M Street, N.W., Room 5002  
Washington, D.C. 20554

Rosalind K. Allen  
Deputy Chief  
Wireless Telecommunications Bureau  
2025 M Street, N.W., Room 5002  
Washington, D.C. 20554

Gary P. Schonman  
D. Anthony Mastando  
Enforcement Division  
Wireless Telecommunications Bureau  
2025 M Street, N.W., Room 8308  
Washington, D.C. 20554

Richard E. Wiley  
Robert L. Pettit  
Richard Gordin  
Nathaniel F. Emmons  
Wiley, Rein & Felding  
1776 K Street, N.W.  
Washington, D.C. 20036

Alan Y. Naftalin  
Arthur B. Goodkind  
Koteen & Naftalin, L.L.P.  
1150 Connecticut Avenue, N.W.  
Washington, D.C. 20036

  
/s/ Grace G.B. Belmonte